

## **Senate Concurrent Resolution No. 105**

### **RESOLUTION CHAPTER 91**

Senate Concurrent Resolution No. 105—Relative to Financial Aid and Literacy Month.

[Filed with Secretary of State July 9, 2014.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SCR 105, Lieu. Financial Aid and Literacy Month.

This measure would declare the month of April 2014 as Financial Aid and Literacy Month to raise public awareness about the continuing need for increased financial literacy.

WHEREAS, The final report of the President's Advisory Council on Financial Capability issued on February 19, 2013, urges the integration of personal finance into the teaching of math and English language arts Common Core State Standards for K-12 education as well as other subjects; and

WHEREAS, Assembly Bill 166 (Chapter 135 of the Statutes of 2013) requires that financial education, including budgeting, managing credit, student loans, consumer debt, and identity theft security, is included in the next revision of the social sciences, health, and mathematics curricula; and

WHEREAS, A 2013 Junior Achievement/Allstate Foundation study found that 52 percent of teenagers think students are borrowing too much to pay for college, yet only 9 percent report they are currently saving money for college; and

WHEREAS, A 2013 College Savings Foundation survey of teenagers found that 51 percent wished that their current high school offered financial literacy instruction for them and their families to prepare for college costs; and

WHEREAS, Only 27 percent of parents who are saving for college use a 529 college savings plan, according to a 2013 Sallie Mae/Ipsos study; and

WHEREAS, According to a NerdWallet analysis, American consumers owe collectively \$11.36 trillion, including \$856.9 billion in credit card debt, and more than \$1 billion in student loan debt as of January 2014; and

WHEREAS, The Javelin Strategy & Research's 2014 Identity Fraud Report notes that 13.1 million Americans were victims of identity theft in 2013; and

WHEREAS, According to a 2013 MetLife Mature Market Institute study, only one-quarter of the oldest Baby Boomers own private long-term care insurance; and

WHEREAS, A 2013 survey by the National Foundation for Credit Counseling and the Network Branded Prepaid Card Association found that

only 40 percent of American adults say they have a budget and are keeping close track of their spending, yet 43 percent of Americans (100 million people) say they do not have enough money saved for emergencies, and 38 percent are worried that they will not have enough savings for retirement; and

WHEREAS, That study also found that 78 percent of United States adults believe they could benefit from professional advice regarding their financial questions; and

WHEREAS, The United States ranks fourth among 28 nations in having the most financially literate people, according to the 2012 Global Financial Literacy Barometer; and

WHEREAS, Only 33 percent of parents say they talk to their children about money more than once a week, and 49 percent of teenagers have not developed a budget with their parents regarding the saving or spending of their own money, according to a 2012 Capital One survey; and

WHEREAS, According to the 2012 Visa International Financial Literacy Barometer, families in the United States talk to their children about finances only 25.8 days per year; and

WHEREAS, Forty percent of American adults gave themselves a grade of C or less regarding their knowledge of personal finance according to a 2013 study conducted on behalf of the National Foundation for Credit Counseling; and

WHEREAS, Approximately 61 million Americans are worried about paying off their debt commitments, while 65 percent have not reviewed their credit report, according to the study conducted on behalf of the National Foundation for Credit Counseling; and

WHEREAS, A 2012 College Savings Foundation study noted that recent graduates are at least 50 percent more likely to put off life choices often associated with financial independence than those who graduated seven or more years ago; and

WHEREAS, Similar resolutions have been introduced and passed with strong bipartisan support to increase awareness of the need for financial literacy for California citizens; now, therefore, be it

*Resolved by the Senate of the State of California, the Assembly thereof concurring,* That the Legislature hereby declares the month of April 2014 as Financial Aid and Literacy Month to raise public awareness about the continuing need for increased financial literacy; and be it further

*Resolved,* That legislators, employers, schools, service groups, community organizations, libraries, financial institutions, and the media shall be encouraged to provide opportunities for financial literacy education for all Californians through a variety of means and to collaborate with members of the California Society of Certified Public Accountants, the California Jump\$tart Coalition, and others as they provide outreach and education; and be it further

*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the author for appropriate distribution.

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